

Health Administration

MISSION STATEMENT

To develop and coordinate budgets, policies, and procedures for the county's health care departments in accordance with the strategic goals adopted by the Board of Supervisors, the County Charter, and general laws.

DESCRIPTION OF MAJOR SERVICES

The role of the Health Administration Division is to seek and support opportunities to foster collaboration among the Department of Public Health (DPH), Department of Behavioral Health (DBH), and the Arrowhead Regional Medical Center (ARMC). The division provides regular fiscal and policy analysis relating to the operations of these departments. Additionally, this division manages the \$159.5 million Health Administration budget, which includes funding for ARMC debt service, health related maintenance of effort costs, and transfers required to obtain federal health care funding. Furthermore, on February 6, 2007, the Board of Supervisors approved the separation of the Inland Counties Emergency Medical Agency (ICEMA) from the Public Health budget unit, to be included as a separate organization within the Health Administration Division.

Health care related transactions represented by this budget unit include the Disproportionate Share Hospital (DSH) Supplemental Payments, Realignment AB 8 match, the county's contribution for ARMC debt service payments. In addition, all operational transactions related to ICEMA are reflected within this budget unit for 2007-08.

California Medi-Cal Hospital/Uninsured Care Demonstration Project (SB 1100)

Effective July 1, 2005, funding from SB 855 and SB 1255 for the Disproportionate Share Hospital Programs was replaced by SB 1100, California's Medi-Cal Hospital/Uninsured Care Demonstration Project. The prior SB 855 and SB 1255 programs provided supplemental payments to hospitals serving a disproportionate number of low-income individuals, as well as those licensed to provide emergency medical services and contract with the California Medical Assistance Commission (CMAC) to serve Medi-Cal patients under the Selective Provider Contracting Program.

The new funding system, SB 1100, was designed under a Medicaid (Medi-Cal in California) waiver to fund public and private safety-net hospitals providing care to Medi-Cal and uninsured patients. The hospital financing waiver under SB 1100 is comprised of three elements:

- Medi-Cal Fee for Service, which represents federal funds accounted for directly in the Arrowhead Regional Medical Center (ARMC) budget unit, for services provided to Medi-Cal patients;
- Safety Net Care Pool Funds, which provide a fixed amount of federal dollars, also accounted for directly in the ARMC budget unit, to cover uncompensated health care costs, and
- Disproportionate Share Hospital Funds, which continue to be reflected as a matching contribution to the state, and a return of that initial investment, within this budget unit.

Realignment and General Fund Support

General fund support and realignment funds are used to pay for the ARMC debt service lease payments, Realignment AB 8 match and administrative costs related to this budget unit. To qualify for receipt of Health Realignment funding from the state, the county must contribute a "match" of local funds. The county's match for 2007-08 is \$4.3 million, which is based on a formula established through AB 8 in 1979. This amount has remained constant throughout the years.

Realignment funds support this budget as follows:

- Mental Health at 3.5% (which covers half of administrative costs).
- Health at 96.5% (which covers half of administrative costs plus debt service payments).

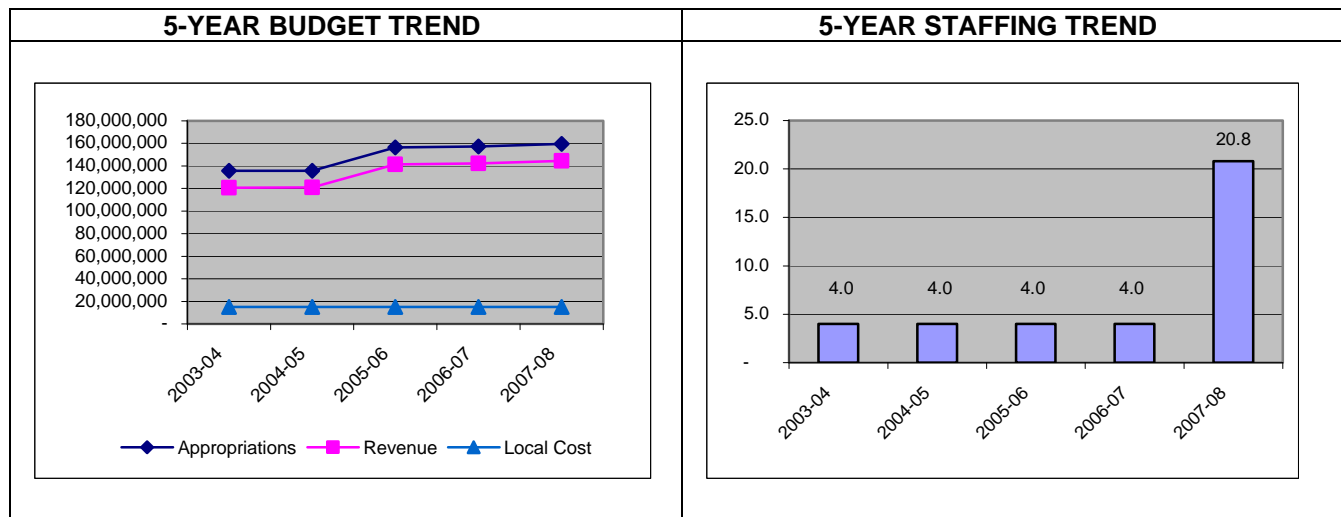
Inland Counties Emergency Medical Agency

On February 6, 2007, the Board of Supervisors approved the separation of the Inland Counties Emergency Medical Agency (ICEMA) from the Public Health budget unit, to be included as a separate organization within the Health Administration Division and administered directly by the County Administrative Office.



ICEMA is responsible for ensuring effective emergency medical services for San Bernardino, Inyo and Mono Counties. Specifically, they are charged with the coordination, evaluation and monitoring of emergency medical services within public and private pre-hospital providers, specialty hospitals, paramedic base hospitals, as well as the effectiveness of Emergency Medical Services (EMS) educational programs and medical disaster preparedness.

BUDGET HISTORY



Budgeted staffing significantly increased in 2007-08 due to the inclusion of the ICEMA budget within the Health Administration budget unit.

PERFORMANCE HISTORY

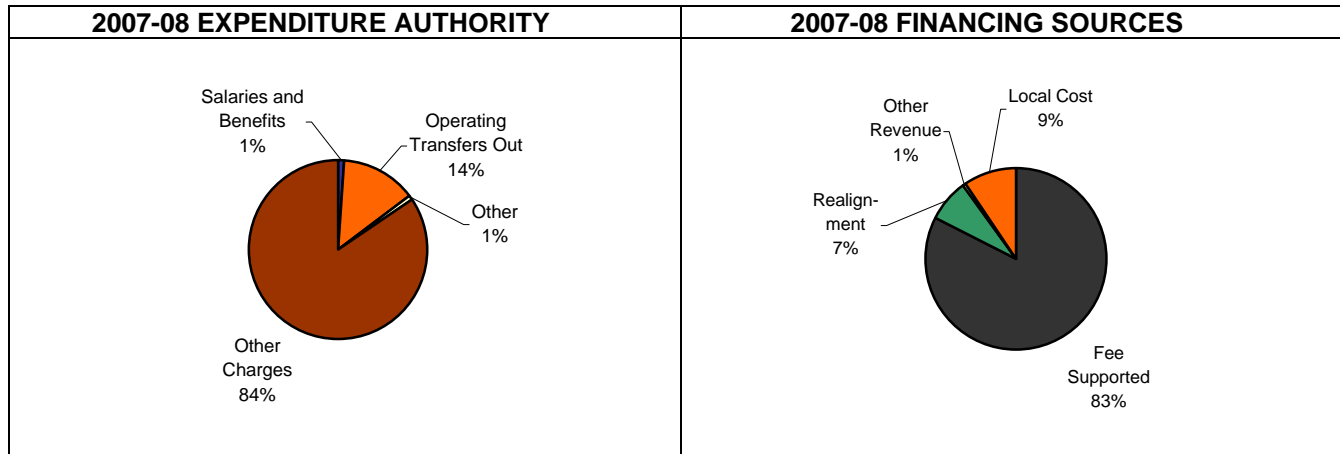
	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	135,996,594	150,200,966	53,624,875	157,188,824	61,720,187
Departmental Revenue	120,996,594	135,200,966	38,732,875	142,188,824	46,720,187
Local Cost	15,000,000	15,000,000	14,892,000	15,000,000	15,000,000
Budgeted Staffing				4.0	

In 2003-04 and 2004-05, total appropriation and revenue was greater than the most current two years of performance as a result of SB 855 and SB 1255, two programs that were established to provide supplemental Medi-Cal payments to hospitals that provide services to disproportionate numbers of Medi-Cal and other low-income patients. Through these programs, the county transferred a set match amount to the state, and in turn, received back this initial contribution, plus additional federal health dollars that were recorded in the Arrowhead Regional Medical Center budget unit. Effective July 1, 2005, SB 855 and SB 1255 was replaced by SB 1100, which fundamentally altered the way it paid hospitals for treating Medi-Cal patients. This system revised financing for Medicaid hospitals, limited the use of county general fund matching transfers to the state, and provided a fixed amount of federal dollars to cover uncompensated health care costs. As a result of these changes, both the actual appropriation and revenues which in prior years had been recorded to document the matching transfers and corresponding receipts decreased dramatically. It should be noted however that the county continues to budget at the previously higher rates for appropriation and revenue as the total affect of these changes has not been determined, and transfers to the state may still change.

Additionally, in 2006-07, actual revenue was less than modified budget as the budget unit did not utilize all of its budgeted Realignment revenue for ARMC debt service.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Health Administration
FUND: General

BUDGET UNIT: AAA HCC
FUNCTION: Health and Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	316,697	121,092	489,206	550,109	532,200	1,813,683	1,281,483
Services and Supplies	68,210	30,265	92,390	133,826	66,490	718,293	651,803
Central Computer	-	710	2,673	4,604	4,604	23,071	18,467
Other Charges	110,514,405	124,642,905	24,759,402	31,577,091	130,250,000	130,753,730	503,730
Equipment	-	-	-	-	-	74,000	74,000
Transfers	106,500	81,104	807	170,650	276,068	811,898	535,830
Total Exp Authority	111,005,812	124,876,076	25,344,478	32,436,280	131,129,362	134,194,675	3,065,313
Reimbursements	-	-	-	-	-	(11,480)	(11,480)
Total Appropriation	111,005,812	124,876,076	25,344,478	32,436,280	131,129,362	134,183,195	3,053,833
Operating Transfers Out	24,990,782	25,324,890	28,280,397	29,283,907	26,059,462	25,324,417	(735,045)
Total Requirements	135,996,594	150,200,966	53,624,875	61,720,187	157,188,824	159,507,612	2,318,788
Departmental Revenue							
Licenses & Permits	-	-	-	-	-	138,955	138,955
Fines and Forfeitures	-	-	-	-	-	789,878	789,878
Realignment	10,482,189	10,558,061	14,223,473	6,913,310	12,188,824	11,887,441	(301,383)
State, Fed or Gov't Aid	-	-	-	-	-	400,500	400,500
Current Services	110,514,405	124,642,905	24,509,402	31,327,091	130,000,000	130,347,236	347,236
Other Revenue	-	-	-	-	-	5,000	5,000
Other Financing Sources	-	-	-	8,479,786	-	-	-
Total Revenue	120,996,594	135,200,966	38,732,875	46,720,187	142,188,824	143,569,010	1,380,186
Operating Transfers In	-	-	-	-	-	938,602	938,602
Total Financing Sources	120,996,594	135,200,966	38,732,875	46,720,187	142,188,824	144,507,612	2,318,788
Local Cost	15,000,000	15,000,000	14,892,000	15,000,000	15,000,000	15,000,000	-
Budgeted Staffing					4.0	20.8	16.8

Salaries and benefits of \$1,813,683 fund 20.8 positions, and are increasing by \$1,281,483 primarily as a result of the transfer of 18.8 positions from the Inland Counties Emergency Medical Agency (ICEMA). These additions were offset by the transfer of 1.0 Deputy Administrative Officer and 1.0 Executive Secretary to the County Administrative Office budget unit to better align with the administrative support these two staff provide.

Service and supplies of \$718,293 are increasing by \$651,803, again primarily as a result of reflecting operational costs for ICEMA, which includes computer and equipment purchases, professional services contracts for the ICEMA Medical Director and Homeland Security and Emergency Preparedness consultants, and travel related expenses.



Other charges of \$130,753,730 continue to reflect the budgeting of matching contributions to the State for the newly enacted SB 1100 at the previously higher rate, as the precise impact of the new program is still undetermined, and increased transfers to the State may become necessary. The increase of \$503,700 reflects the anticipated contributions from ICEMA to local area hospitals for pediatric trauma care.

Equipment is budgeted at \$74,000 for purchase of an Advance Life Support monitor/defibrillator, ParaPAC transport ventilator, new file server, and Toughbooks to be utilized with the new Healthware Solutions software.

Transfers of \$811,898 represent payment to other departments for employee relations, the Employee Health and Productivity program, and lease costs. The \$535,830 increase results primarily from payment for administrative and program support from the County Administrative Office, ongoing health care computer programming development to be conducted by Information Services Department, and administrative support from the Department of Public Health for ICEMA.

Operating transfers out of \$25,324,417 fund \$4.3 of Realignment local match, which must be transferred into trust, before Health Realignment monies can be directed toward the Public Health and Arrowhead Regional Medical Center budget units to fund health programs, and \$21.0 million of net debt service lease payment for Arrowhead Regional Medical Center. These transfers are funded by \$15.0 million of Tobacco Master Settlement Agreement monies and an additional \$10.3 million of Realignment.

Licenses and permits of \$138,955 include revenue from ambulance licensure and Emergency Medical Technician certification.

Fines and forfeitures of \$789,878 include fines collected by the Superior Court for criminal offenses, which are used to support ICEMA.

Realignment revenue of \$11,887,441 is decreasing by \$301,383 primarily as a result of decreases in net debt service lease payments for Arrowhead Regional Medical Center.

State aid of \$400,500 represents funding from the Emergency Medical Services Authority (EMSA) to support maintenance of the three-county Joint Powers Agreement; the Regional Disaster Medical Health Specialist's Area VI, which includes San Diego, Imperial, Riverside, Inyo, Mono, and San Bernardino counties; and the Disaster Medical Assistance Team.

Current services of \$130,347,236 continues to reflect the budgeting for receipt of the initial matching contribution to the State at the previously higher rate, given that the precise impact under the new SB 1100 are as yet undetermined, and any resulting increases in matching contributions (reflected as Other charges above) would result in commensurate increases to current services revenues. The increase of \$347,236 reflects anticipated revenue from ICEMA's performance based ambulance contracts.

Operating transfers in of \$938,602 reflect transfers from the Pediatric Trauma, Hospital Preparedness and Performance Based Fines special revenue funds for expenditures related to ICEMA.